

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/17)

Fiscal Year 2019-20	Business Unit 8940	Department California Military Department	Priority No. 1
Budget Request Name 8940-401-BCP-2019-MR		Program 6911 - NATIONAL GUARD	Subprogram 6911010 - ARMY NATIONAL GUARD

Budget Request Description
Lathrop-Roth Training Complex: Utilities Connections

Budget Request Summary

The California Military Department requests a one-time expenditure authority of \$6,817,000 General Fund in FY 2019-20 to connect and upgrade utility systems at the Lathrop-Roth Training Complex. The funding will be used to connect the sewer, water, and electrical systems on the training base to the City of Lathrop's municipal utility infrastructure.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed N/A	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.		
Project No.	Project Approval Document:	Approval Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Colonel Louis Millikan	5/1/19	Colonel (CA) Darrin Bender	5/1/19
Department Director	Date	Agency Secretary	Date
Brigadier General (CA) Robert Spano	5/1/19	N/A	

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

PPBA
Original Signed By:
Clint Kellum

Date submitted to the Legislature

5/9/19

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A. Budget Request Summary

The California Military Department (CMD) requests a one-time appropriation of \$6,817,000 General Fund in FY 2019-20 for the California Army National Guard's Lathrop-Roth Training Complex. The proposal includes funding to connect the site's existing sewer system to the City of Lathrop's municipal sewer infrastructure (\$5,372,000) and will connect water (\$775,000) and electricity (\$420,000) to city municipal utilities as well. The proposal includes \$250,000 to complete design of the water and electric utility projects.

B. Background/History

In 2016, as part of the closure of the Sharpe Army Depot in Lathrop California, the California Army National Guard acquired a 64-acre piece of the base that is now the Lathrop-Roth Training Complex (LRTC). This site has been indefinitely licensed at no cost to the State of California by the U.S. Army Corps of Engineers and currently houses the CMD's Discovery ChalleNGe Academy and units of the California Army National Guard (CAARNG). This proposal will address the immediate need to migrate utilities from the U.S. Army to the City of Lathrop.

As part of the base closure process the U.S. Army must stop providing utilities to tenants of the base from federally owned utilities infrastructure. The U.S. Army established a deadline for the California Army National Guard to switch from base utilities to city utilities by January 2020, after which no utilities services will be available within the perimeter of the now defunct Sharpe Army Depot. With an investment from the State to connect utilities to a municipal provider, the CMD can negotiate to extend the U.S. Army deadline to allow enough time to complete the project in July 2020.

Upon completion of the connections contemplated in this proposal, the City of Lathrop will be the new provider of the utilities for the LRTC and the US Army will discontinue providing utilities from federal government owned infrastructure located on the base.

Failure to approve this proposal by the U.S. Army's deadline will result in termination of utility services to the LRTC, putting at risk continued operation of the Discovery ChalleNGe Academy and operation of the Army National Guard Readiness Center.

C. State Level Considerations

Without access to public utilities, the California's Discovery Youth ChalleNGe Academy located on the site will not be able to operate after January 1, 2020. Shutting down this program will disenfranchise 400 at-risk youth per year and will require 12 teachers from the San Joaquin Unified School District and 42 service members from the California Military Department to be reassigned or terminated.

Along with the loss of the Discovery ChalleNGe Program, closure of the LRTC risks the loss of tens of millions of federal funding for operations and maintenance of the base. California receives \$4,500,000 per year in federal funds to operate the ChalleNGe Youth Program. Without municipal utilities, the CMD would be forced to discontinue the Youth ChalleNGe Academy, forfeiting the federal funding and losing a remarkable program that gives thousands of at risk youth a second chance to succeed in life.

The San Joaquin County Office of Education is equally invested in the operations of the Discovery Academy and receives \$1,550,000 annually. Furthermore, the State receives approximately \$500,000 annually to operate the Army National Guard facilities on this base. This federal funding will also be lost if utilities are not available on the LRTC and military units must be reassignment to other locations.

D. Justification

It is in the state's best interest to transfer the utilities at the LRTC from federal providers to the City of Lathrop. National Guard Readiness Centers, or Armories, are critical infrastructure elements directly supporting the California National Guard and, on many occasions, other federal agencies such as FEMA, when responding to natural disasters or civil emergencies.

Closure of the Discovery ChalleNGe Academy, which provides residential educational opportunities for 400 at-risk youth each year would be a devastating loss to the state. The Youth ChalleNGe Program

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operates with 75% federal funds and serves California's most at-risk students. The students live on the campus for 6 months while they receive intensive mentoring and teaching so they can return home or enter the workforce prepared to succeed.

F. Outcomes and Accountability

The utility connections will make best use of existing municipal infrastructure within the surrounding community. The funds requested in this proposal are critical to keep community support for the youth programs that are being offered on site. If utilities by the U.S. Army are terminated without the utilities upgrade project funded and under way, the Discovery ChalleNGe Academy and the National Guard Armory will eventually close.

This proposal addresses three utility systems: (a) electric; (b) water; and (c) sewer. The sewer will be upgraded and connected to the City's municipal sewer infrastructure. Currently, the water/electric portions are at 60% design completion and the sewer system portion is at 95% design completion.

Upgrading existing utilities means minimal land disturbance by this project. Further, these upgrades will improve long term energy and water efficiency and conservation at the facility.

G. Analysis of All Feasible Alternatives

Alternative #1: Approve the request as proposed for the Lathrop-Roth Training Complex: Utilities Upgrade.

Pros:

- Converts the sanitary sewer system to current code-required standards, permitting continued operations at the subject site thereby improving operational efficiency and effectiveness;
- Supports site development, which helps relieve the Readiness Center space shortage; and,
- Guarantees code-compliant space in which to house students and staff of the Discovery ChalleNGe Academy in the future.
- Approval of this request will positively impact the youth in the ChalleNGe Academy so there is no disruption in the program in which they are currently enrolled.
- Teachers, staff, and service members at the Lathrop-Roth site will benefit from continuity at the site by not risking terminations or reassignment. Specifically for the teachers at the Discovery Academy, the continued growth of the program and focus on their students will not be wavered with fear of school closure if this project is not approved.
- The site will remain acceptable for unit occupancy and statewide operational readiness.
- The State will continue to benefit from the federal funds that are provided to support the youth academy for troubled minors in our state, therefore improving areas in education, corrections/rehabilitation, and the economy.

Cons:

- If utilities are not connected to municipal systems, the Discovery Youth ChalleNGe Academy located on the site will not be able to operate after January 1, 2020. Shutting down this program will disenfranchise 400 at-risk youth per year and will require 12 teachers from the San Joaquin Unified School District and 42 service members from the CMD to be reassigned or terminated.
- Along with the loss of the Discovery ChalleNGe Program, closure of the Lathrop-Roth Training Complex risks the loss of tens of millions of federal funding for operations and maintenance of the base. Federal funds that are provided to keep the ChalleNGe Academy active would be immediately eliminated with possible consequences that would adversely impact the state and the CMD. The federal government provides \$4,500,000 annually to the California Discovery ChalleNGe; however, if the site cannot be safely operational due to lack of power, water, and sewer, all programs out of Lathrop will be at risk for immediate termination. The San Joaquin County Office of Education is equally invested in the operations of this school and annually certifies \$1,550,000, as well as providing funds prior to the start of the program for facility costs and

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furnishings in the amount of \$1,000,000. Furthermore, the state receives approximately \$500,000 annually to operate the Army National Guard armories on this base which will be lost if the utility needs aren't met due to funding, causing the unit reassignment to other locations.

- The LRTC already has millions invested which will be a loss for the State should this proposal be denied. The State has already approved funds in the amount of \$2.6 million for the Discovery ChalleNGe Academy's Dining Facility in FY 2017-18. This project is already in Performance Criteria/Design phase and is set to begin construction in June 2019 with an estimated project completion in March 2020. If funds for this proposal are not approved, the dining facility will not get any use since closure of the site will be imminent without functioning utilities.

Alternative 2: Increase the baseline budget to provide portable latrines and showers.

Pros:

- This Department cannot find a practical reason in favor of this alternative other than initial lower cost.

Cons:

- The quick-fix solution of portable latrines pose occupational health and safety concerns for the students and staff at the site and would likely result in either a partial or full closure of the Discovery ChalleNGe Program;
- Providing portable latrines and showers requires an augmentation of the CMD's Support Budget to cover the costs (or it comes out of the existing budget);
- No funding for electric and water conversion will result in no power for lights or water to drink, which means running expensive generators and bringing in water;
- The site becomes untenable for unit occupancy necessitating re-stationing of existing units;
- Statewide operational readiness will suffer because the existing facility (Quinones Readiness Center) becomes useless and there is no opportunity to construct new facilities at the site;
- Deferral or denial of conversion and upgrade funds will result in re-stationing actions and overcrowding at more readiness centers throughout the state; and,
- Lack of utility infrastructure makes the site useless as a base for emergency operations for housing dislocated citizens.

Alternative 3: Deny this proposal.

Pros:

- Denying this request makes General Fund monies available for competing programs.

Cons:

- Given its unique operating environment and institutional character, the Discovery ChalleNGe Academy would eventually have to cease operations at this site.
- Deferral or denial of conversion/upgrade funds will result in re-stationing actions and overcrowding at readiness centers throughout the state.
- The CMD would forgo use of its 64-acre Training Complex for an indeterminate period.

H. Implementation Plan

For the water portion, two new connection points to the City of Lathrop's water main will be constructed on Roth Road in order to cut/cap the Army's existing connections. The new connection points will bring in city-provided water into the existing distribution system and will require 200 linear feet (lf) of new waterline. All water lines (new and existing) will be tested and

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disinfected, and will meet American Water Works Association standards. Water meters and fire hydrants will be installed to keep the facility consistent with applicable standards and regulations.

The electric portion will include the connection of new electrical distribution power lines, new power poles, and a new substation. Connection of approximately 200-feet of new 15 kilovolt (KV) #2 American Wire Gauge (AWG) underground cable in 3-inch concrete encased duct bank from a riser power pole on the south side of Redwood Avenue to a new pad mounted transformer and substation. The new substation will provide electrical power for several buildings at the Lathrop site.

The most complex portion of this proposal will be the construction of the sewer connection. This portion will require installation of approximately 1,470 lf of new 8" PVC sanitary sewer line, while renovating the existing 11,140 lf of existing sanitary sewer PVC. This will allow for the connection to the City of Lathrop's sanitary sewer system. From that point, the City will be responsible for pipelines off base that connect to the City's sewer system. The CMD will only be responsible for portions within our property line. The replacement of pumps and grinders on the existing lift stations will be needed in order to comply with code and system requirements, and in order for the transfer of utilities to the City.

Completion of the utilities' connection and upgrades are anticipated for July 2020. With approval of this proposal, the CMD will find logistical means necessary to keep the cadets, staff, and service members safely on site.

I. Supplemental Information

N/A

J. Recommendation

Alternative 1 – Approve the Lathrop-Roth Training Center: Utilities Upgrade project for \$6,817,000.

This alternative is recommended in order to expedite the utility connections and upgrades that are critically necessary on site before the U.S. Army discontinues utilities to the base.